

complaint

Mr H complains HSBC Bank Plc should refund money which he lost as a result of a loan being withdrawn.

background

Mr H applied for a loan from HSBC. An application was also made for a credit card account and a bank account.

As a result of the assurance which Mr H says he received from the member of staff at HSBC, he (Mr H) paid a non-refundable deposit of £10,000 towards a car. The proceeds from the loan were to pay for the remainder of the car.

Having been offered the loan in principal, HSBC then withdrew its offer on the basis of incorrect financial information provided by Mr H. Mr H says this led to him losing his deposit for the car and he would like HSBC to refund his £10,000.

Mr H also complains about data protection breaches – the relevant one to this complaint being that HSBC contacted his declared employer (or at least a business which HSBC thought was his declared employer) in order to discuss his employment status.

Our investigator did not think he could ask HSBC to refund this money. He said it had made its original decision based on incorrect information and so, was entitled to review it based on the correct information.

With regards contacting third parties in order to verify employment and salary details, our investigator explained to Mr H that HSBC reserve the right to do this in its terms and conditions. Furthermore, it was only reasonable that it make contact in order to verify details.

However, it was accepted by both HSBC and the investigator that an error had been made in relation to the transferring of the new credit card balance. HSBC agreed to rectify this, to unwind the transaction and to refund any charges incurred.

Mr H did not agree with our investigator. He relies on a phone call which he had with a staff member at HSBC. He says he was given an assurance during that call that the loan had been approved and that he would not lose his deposit. He asked that an ombudsman review his complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint and based on what I have seen, I will not be asking HSBC to reimburse Mr H's £10,000.

As Mr H is aware, the commercial decision made to lend or withdraw is a matter for HSBC and not one which this service, generally speaking, can or will interfere with. The question I have to ask myself is this – whether by withdrawing its offer of banking facilities, especially the loan, HSBC should be responsible for the loss of Mr H's deposit.

But when I consider the evidence, I don't think it should be. After all, Mr H provided HSBC with incorrect information in relation to his employment status and it is upon this misinformation that the loan was agreed. It would seem neither fair nor reasonable that HSBC be held liable in the circumstances.

I know Mr H relies on two particular submissions – that his declared income could still be evidenced and that he was given an assurance by staff that he would not lose his deposit.

In relation to the first, again, it is a matter for HSBC if they decide they no longer wish to offer banking facilities. With regards the second, there is no evidence of this assurance as the telephone call no longer exists. However, even I were to accept Mr H's account of the call to be a credible one, I think it more likely than not that the member of staff based their assurance on the details provided being accurate.

I think it is right that HSBC unwinds the credit card and overdraft transaction and correct Mr H's credit file accordingly. But I do not ask that it does anymore.

my final decision

My final decision is that HSBC unwinds the credit card and overdraft transaction and reimburse any charges incurred as a result of this transaction. It should also make the necessary amendments to Mr H's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 March 2018.

Shazia Ahmed
ombudsman